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Why They Love Bloodshed

War is a Force That Gives Us Meaning
CHRIS HEDGES
ANCHOR BOOKS, 2002
211 PGS.

What Every Person Should Know About War
CHRIS HEDGES
FREE PRESS, 2003
XVI + 175 PGS.

Much has been made in recent years of the so-called "war on drugs." The pursuit of ecstatic sensations through chemical means, it is alleged, threatens the social order. Stern action by the state must suppress this danger. As Thomas Szasz and others have amply shown, this danger is vastly exaggerated. In two excellent books, Chris Hedges has called attention to a genuine deadly drug, one that the state creates rather than endeavors to suppress. His diagnosis of the

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danger is outstanding, but his account leaves a key issue unresolved.

Paradoxically, the horrors of war attract many people. The pursuit of extreme situations is for many a route to meaning in life. But Hedges, a distinguished war correspondent who has himself been gripped by this attraction, warns against it. "The enduring attraction of war is this: even with its destruction and carnage it can give us what we long for in life. It can give us purpose, meaning, a reason for living. Only when we are in the midst of conflict does the shallowness and vapidness of much of our lives become apparent . . . war is an enticing elixir. It gives us resolve, a cause. It allows us to be noble" (*Meaning*, p. 3).

As our author sees matters, it is very difficult to lead a meaningful life by yourself. If, by contrast, you feel yourself tightly connected with others, the task becomes much easier. This is all the more so if your connection with others aims to achieve a goal that you and your comrades deem vitally important.

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As Hedges makes clear, the struggle for meaning takes very different forms on the home front and in actual combat. On the home front, the "myth of war" prevails: "The cause, sanctified by the dead, cannot be questioned without dishonoring those who gave up their lives. We become enmeshed in the imposed language. . . . There is a constant act of remembering and honoring the fallen during war. These ceremonies sanctify the cause. As Americans we speak, following the September attacks, like the Islamic radicals we fight, primarily in clichés. . . . We accept terms imposed upon us by the state—for example the 'war on terror'—and these terms set the narrow parameters by which we are able to think and discuss" (*Meaning*, pp. 145–46).

In wartime, people do not regard this narrowing of discourse as a problem to be overcome. Quite the contrary, they often suppress those who dare to dissent. During World War I, for example, the British public turned on the once-popular reformer E.D. Morel, famed for his exposure of atrocities in the Belgian Congo. Morel's exposure of British propaganda and secret treaties drew this response: "His fight against the war saw mobs break up his meetings with stink bombs and his banners ripped down. He finally could not rent a hall. . . . He was flooded with hate mail. The government finally jailed him in 1917" (*Meaning*, p. 147). Hedges aptly notes that in wartime figures such as Morel are the exception. The press does not have to

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be dragooned into following the government line.

Propaganda may rouse into frenzy the civilian population, but matters are very different in actual combat. The reality of fear and killing quickly ends the myths absorbed on the home front; but another form of meaning through collective endeavor now comes to the fore. The combatants feel bound to their fellow fighters: defense of their close comrades paradoxically heightens their sense of life as they are exposed to supreme danger. "The battlefield, with its ecstasy of destruction, its constant temptation of self-sacrifice, its evil bliss, is more about comradeship. The closeness of a unit, and even as a reporter one enters into that fraternity once you have been together under fire, is possible only with the wolf of death banging at the door. The feeling is genuine, but without the threat of violence and death it cannot be sustained" (*Meaning*, pp. 115–16).

War may offer meaning through action in unity; but, one might wonder, can we not attain unity in some less destructive way? Hedges does not mention William James's famous essay "The Moral Equivalent of War" (1906). James suggested that youth camps to carry on social work could provide the needed sense of purpose. Our author implicitly disagrees with James; and the quotation just given adumbrates the point at which Hedges would challenge him.

For Hedges, unified action is not enough. A life with meaning demands that our senses and emotions be roused from their humdrum sources of stimulation. War's risk of sudden death, not to mention the gruesome sights and smells of the battlefield, accomplish this to a far greater extent than does chopping down trees as a member of the Civilian Conservation Corps.

Hedges's view parallels the theory of the early twentieth-century German sociologist Georg Simmel, who likewise found war a means to attain meaning through heightened experiences. Simmel, writing during World War I, interpreted war as a way to overcome the meaninglessness of everyday life. Instead of the "cyclical repetition of everyday life," war offers "the deeply moving existential experience of an ecstatic feeling of security that liberates our personality from inhibitions and opens it up to social impulses once again."[1]

War may offer meaning through action in unity; but, one might wonder, can we not attain unity in some less destructive way?

[1]Hans Joas, *War and Modernity* (Polity Press, 2003), p. 65. Joas's valuable book also calls attention to the similar views of Georges Sorel.

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Unlike Simmel, though, Hedges writes not to praise war but to warn us of its dangers. He places principal emphasis on the most obvious of these ill effects: war leads to death and horrible injuries in large numbers. Hedges brings this home to us even more effectively in *What Every Person Should Know About War* than in the self-consciously literary *War Is a Force That Gives Us Meaning*. The former work is ostensibly a guidebook, intended to provide the "plain facts" about war: "The book is a manual on war. There is no rhetoric. There are very few adjectives" (*What Every Person*, p. xiii).[2]

A few examples of these plain facts must here suffice. In response to the question, "What are the best and worst places to get shot?" we learn: "A clean line through your arm, hand, or foot is best, though it will be painful. . . . The pressure from a bullet that enters the brain will usually rupture the skull . . . a lung wound will make it very difficult to breathe. . . . The spleen, liver, and kidney may rupture on impact" (*What Every Person*, p. 41).

Even if a soldier in battle manages to escape being wounded, he will still face a difficult situation: "You will most likely be subject to loud noise and vibration as well as a lack of oxygen, choking fumes, chemicals, skin irritants, bright lights, and haze" (*What Every Person*, p. 81).

Hedges gives similar graphic descriptions of imprisonments, torture, and rape, among many other topics. To my mind, though, the most unnerving image occurred during the response to "What does it feel like to die?" "According to people who have been clinically dead and then resuscitated, you will feel your consciousness swiftly wind down. It will not flip from on to off, like a light, but rather will gradually disappear, like a match burning out" (*What Every Person*, p. 100).

Hedges writes not to praise war but to warn us of its dangers.

Given the facts that Hedges has so assiduously amassed about combat, combined with his earlier description of the effects of war on truth and free inquiry, is not the conclusion obvious? The emotional ecstasies of war are bought at too high a price. Unfortunately, matters are not so simple.

[2]Hedges has taken as a model a question-and-answer book written by the American lawyer Harold Shapiro in 1937, *What Every Young Man Should Know About War*. Shapiro had been greatly affected by the deaths and injuries of World War I.

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Hedges has left himself open to a counterargument. An advocate of war might respond to him in this way: "I readily grant that war has horrendous effects. But these effects are worth enduring, because war gives our life meaning in a way that nothing else can match. We can be pacifists and shun war, if we wish; but then we will lose our chance to experience life at its fullest."

To portray the bad effects of a practice does not suffice to determine how we should evaluate it.

I do not think that Hedges has a satisfactory reply to this objection. To portray the bad effects of a practice does not suffice to determine how we should evaluate it. To do this requires philosophical principles to guide us. (The battle between Eros and Thanatos, one of Freud's most implausible speculations that Hedges has unfortunately taken over, is not an example of what I mean by philosophical principles.) Absent guidance by the appropriate moral standards, someone can find the bad effects of war additional sources of fascination and seek war all the more. Hedges himself is aware of the point. He speaks of the "seductiveness of violence, the fascination with the grotesque. . . . Killing unleashes within us dark undercurrents that see us desecrate and whip ourselves into greater orgies of destruction" (*Meaning*, p. 100).

I cannot here hope to supply these principles, but to my mind an acceptable response requires us to reject a view that Hedges does not question. He accepts without argument that meaning in life depends on experiencing extreme sensations. Why believe this? Why not instead try to find meaning in the ordinary business of life?

Hedges tells us: "All great works of art find their full force in those moments when the conventions of the world are stripped away and confront our weakness, vulnerability, and mortality" (*Meaning*, p. 91). I think that our author has here eaten an unbalanced diet. The novels of Jane Austen, not to mention Dante's *Paradiso*, hardly support Hedges's thesis. He would have been helped in his reflections on meaning in life had he consulted Ronald Knox's *Enthusiasm* (much esteemed, incidentally, by Murray Rothbard) and remembered Talleyrand's counsel: "*Pas trop de zèle*" [Avoid excess enthusiasm].

But if Hedges has not solved the difficult philosophical problems connected with his topic, he has nevertheless written books of great value. Surely people with normal sensibilities, when faced with Hedges's account of the realities of war, will react with aversion

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rather than fascination; and that is all to the good. ■ MR

Insurance Fraud

Social Security: False Consciousness and Crisis

JOHN ATTARIAN
TRANSACTION PUBLISHERS, 2002
XVII + 393 PGS.

Nearly everyone knows that the Social Security system faces eventual collapse, but John Attarian remarkably claims that semantics lies at the root of the crisis. He follows the great literary scholar Richard Weaver in emphasis on calling things by their proper names: "Definitions, Weaver insisted, must be scrupulously accurate; he attributed much of humanity's confusion of thought to 'failure to insist on no compromise in definition'" (p. 226, quoting Weaver).

Even if Weaver is right, how can Attarian's radical claim be justified? Surely the crisis stems from matters of finance, and even definitions that satisfy the most careful grammarian will not suffice to replenish the depleted trust funds of Social Security.

Attarian does not deny the obvious. He is no linguistic idealist, who makes reality the creature of vocabulary. Quite the contrary, he analyzes the financial crisis in careful detail. But, he maintains, a widely held illusion makes virtually impossible any attempt to confront the crisis effectively. To meet impending disaster, benefits to current beneficiaries of Social Security must be drastically cut. Unfortunately, owing to an unrelenting propaganda campaign by the government, most people believe that their Social Security benefits are insurance payments to which they have a legal right. They accordingly reject all proposals for severe cuts. Attarian's principal aim is to trace the origins and progress of this illusion.

In his presentation of the financial issues, Attarian relies on the work of A. Haeworth Robertson, a former chief actuary of Social Security. (Robertson, by the way, has weighed in with a strong endorsement of Attarian's book.) Even the Board of Trustees of Social Security acknowledges that when the post-World War II "baby boomers" retire, the system will be strained to the utmost. Benefits, contrary to popular belief, must be paid for

But, Attarian maintains, a widely held illusion makes virtually impossible any attempt to confront the crisis effectively.

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out of current taxes. Because the baby boomer cohort is exceptionally large, the burden on taxpayers will be greater than ever before.

Given this circumstance, disaster threatens. "The generation born after 1965, whose taxes will pay the baby boomers' benefits, will . . . grow far more slowly than the beneficiary population. . . . This means that the burden of supporting each beneficiary will be spread over ever-fewer taxpayers" (p. 7).

Have we not overlooked something? Is it not the case that Social Security taxes are deposited in a trust fund, which is kept separate from the regular budget? Why cannot this fund be used to assist the baby boomers?

This objection, Attarian is quick to point out, rests on a misunderstanding. The trust fund consists, not of money, but of treasury bonds that earn interest. If current taxes do not suffice to meet benefit payments, the bonds must be cashed. Doing so will impose even further strains on the economy. "Well before the actual exhaustion [of the trust fund's] date, then, OASDI's [Old Age Survivors and Disability Insurance] "trust fund" will start making claims on general revenues and then running actual deficits. . . . To cover these deficits, OASDI will present bonds in these amounts from its 'trust funds' for redemption. . . . Another way of grasping the magnitude of the Treasury's burden is to note that the peak amount of Treasury debt in the 'trust fund,' before liquidation starts, will be about $6.0 trillion under intermediate assumptions, or about $3.27 under high cost assumptions. 'Trust fund' exhaustion means that all these debts will be cashed in" (pp. 34–35). Attarian suggests that the efforts to meet this burden will lead to "budget deficits of $500 billion or more by 2025, and larger ones after that" (p. 35). If he is right, the crisis of Social Security will bring ruin to the entire U.S. economy.

Readers of the *Mises Review* will not be surprised to learn that the Old Right stalwart John T. Flynn identified the basic problem of the trust fund so long ago as 1939. In an article for *Harper's* which appeared in that year, Flynn noted that any "investment beyond strict cash hoarding is a claim against the entity whose investment instrument one purchases. The Treasury bonds in the reserve, then, are just the government's claims against itself, hence have no real value. . . . Moreover, the interest on the reserve in the out years would have to be paid from taxes levied in those years. Besides the payroll tax, then, there would be a

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growing tax burden just to pay the interest on the reserve" (pp. 124–25).[1]

Given this dire situation, a key question arises: how much time is available to attempt preventive action? It is here that Attarian's mentor A. Haeworth Robertson enters the scene. Robertson argues, with our author's entire concurrence, that we should adopt estimates at least as pessimistic as the Social Security Board of Trustees' "high cost" assumptions. "Because the stakes in Social Security are so high, we should not lean on luck and pin our hopes on optimistic budget surplus and productivity growth projections. And compelling grounds exist for pessimism, or at least skepticism, about future productivity growth. Given all this, it would be appropriate to use the high cost assumption. . . . Robertson's position is the one of prudent, responsible, statesmanship" (p. 17).

If, taking Robertson's advice, we adopt the high cost projections, danger lies near at hand. "In 2010 [under these assumptions] . . . the payroll tax will stop generating a surplus over outlays. The cash flow surplus turns negative that year, and by 2015 is a substantial deficit" (p. 12).

One way to meet the impending deficit is to raise payroll taxes, but these already impose a heavy burden. To increase them further might crush productivity altogether. Must not benefits be cut? But, as mentioned before, a widespread belief that these benefits are insurance claims blocks attempts to reduce costs in this obvious way.

Attarian contends that this belief is incorrect, and the government knows it. He goes to great pains to show that Social Security lacks the essential features of a real insurance program. For one thing, benefits may be changed at the will of Congress. By contrast, in genuine insurance, the beneficiary has a contractual right to what he receives. And the point is much more than a theoretical one. Congress has in fact changed the benefits, sometimes to the disadvantage of beneficiaries, several

[1] See my reviews of Flynn in the *Mises Review*, Winter 1995 and Spring 1999.

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times since the Social Security Act was first passed in 1935.

In making this point, Attarian calls to his aid the government itself. In *Helvering v. Davis* (1937), the Supreme Court considered whether Social Security was an insurance plan. If it was, its constitutionality stood in doubt; what in the Constitution authorizes the federal government to establish compulsory insurance?

In response, the government pointed out the alleged insurance premiums were nothing but taxes. The government had no obligation to pay out anything in benefits. The Supreme Court in its decision entirely accepted the government's position.

Attarian cannot have it both ways. Is Social Security really insurance, and government arguments to the contrary efforts to deceive?

Attarian goes further. In a brilliant observation, he notes a surprising feature of the Court's decision. Social Security raised serious constitutional issues, but the Court's analysis was perfunctory. Indeed, so careful a legal scholar as Justice Cardozo merely repeated paragraphs from the government's brief in his decision. Attarian plausibly suggests that, owing to pressure on the Court from Roosevelt's court-packing proposal, the Court ducked the constitutional question.

One point in Attarian's discussion surprises me and leads to my only criticism of his outstanding book. Again and again, Attarian insists that Social Security is not insurance: attempts by the government to argue the contrary are efforts to promote a "false consciousness" among the public.

In his discussion of *Helvering*, though, he expresses great sympathy for the arguments of the attorney who maintained that the program was insurance. "Some of the awkward fabrications of the administration's position were exposed by Edward McClennen. . . . The administration clung tenaciously to the literal language of the Act and to arguments which were logically conceivable but utterly preposterous, e.g., that some future Congress might not vote appropriations for benefits; McClennen pointed doggedly and repeatedly to what the Act was doing and was clearly meant to do" (pp. 107, 109).

Attarian, I suggest, cannot have it both ways. Is Social Security really insurance, and government arguments to the contrary efforts to deceive? Or is Social Security not insurance, and government arguments to the contrary of that part of a false campaign? There can be little doubt that Attarian favors the second alternative; aside from the passage I have just mentioned, he always denies that Social Security is

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genuine insurance. In his discussion, for instance, of the later case of *Flemming v. Nestor*, in which the Supreme Court ruled that Social Security benefits do not confer legally binding rights, he never suggests that the insurance view has merit.

If Social Security is not insurance, why do so many people think that it is? Since the inception of the program, Attarian shows, the federal government has engaged in a massive propaganda effort to induce the public to view the program as insurance. Government publications constantly tell people that their payroll taxes are "insurance premiums" that are saved for their future benefits. Social Security, we are assured, is not a welfare program: it is a far better insurance policy than people can obtain through private efforts.

The government's efforts to create a "false consciousness" have gone further. Critics of the program have not been slow to claim that the program operates through "terminological inexactitude," in Churchill's familiar phrase. Attarian discusses in detail the contentions of several of these critics, including Dillard Stokes, Ray Peterson, and Carl Curtis. The last of these, a congressman and later an influential Republican senator, held hearings aimed at showing the problems of the insurance view of Social Security.

Faced with exposure, the government responded with defiance. Its spokesmen denounced the critics as enemies of the people, who aimed to destroy confidence in a social insurance scheme that ranked with the wonders of the world. Foremost among these champions of the program were two men: Arthur Altmeyer, a principal intellectual inspiration of Social Security and its longtime Commissioner; and Wilbur J. Cohen, Altmeyer's assistant and later Secretary of Health, Education, and Welfare. Cohen, often called "Mr. Social Security," was untiring in his efforts to derail "enemies" of his pet project. When Joseph Califano, HEW Secretary under Lyndon Johnson, proposed benefit cuts, Cohen threatened to organize demonstrations of retired people to picket him. Cohen exploded at him: "What you have said proves you don't believe in the Social Security program. It is a separate program. People have rights" (p. 261, quoting Califano). Evidently, Cohen was the most dangerous sort of advocate—one who believes his own propaganda.

If Social Security is not insurance, why do so many people think that it is?

Attarian's thorough account of the critics leaves him open to an objection, but I think he can successfully turn it aside. The vital core of his case is that

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a government campaign has created a "false consciousness" among the public. People falsely believe, owing to government propaganda, that Social Security is insurance; and as a result they will not countenance reductions in their benefits. But if, as our author has shown so well, a constant stream of critics has exposed the true nature of the system, why does this not suffice to dissipate, or at least weaken, the false consciousness?

In response, our author could appeal to the immense resources at the disposal of the government. Constantly repeated statements from "authoritative" spokesmen that Social Security was indeed insurance drowned out the protests of critics. For every person who read Flynn or Curtis, thousands read government pamphlets touting the official line.

Some supporters of the free market might here interpose another objection. "Is not Attarian too pessimistic?" they will ask. "Has he not forgotten the virtues of private saving? If workers invest in private accounts, will not the miracle of compound interest enable them to do far better than they could have done through government aid? If so, what becomes of the supposed crisis of Social Security?"

One of the principal virtues of Attarian's book is to provide a convincing refutation of this all too common thought. It is certainly true that an individual can do better for himself on the free market, but the objection overlooks a vital point. What about those who have been promised benefits under the existing system? If persons withdraw from Social Security, the tax base to pay for these benefits will be reduced. The crisis of Social Security, far from being ended by privatization, will be worsened. "The transition cost problem is in large measure the revenge of the false consciousness" (p. 322). ■ MR

A Monopoly of Ignorance

The Worm in the Apple: How the Teacher Unions Are Destroying American Education

PETER BRIMELOW
HARPER COLLINS, 2003
XXI + 296 PGS.

If Peter Brimelow is to succeed in showing, as his subtitle states, that teacher unions—he has in mind principally the National Education Association—are destroying American education, he faces a preliminary task. He must come up with some way of evaluating American education. Otherwise, defenders of the present order will respond that the educational system is in good shape. Supporters of the NEA will accuse our author of conjuring a crisis out of nothing. Brimelow has anticipated the objection, and his response to it to my mind constitutes

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the main theoretical interest of his book.

Most people evaluate primary and secondary education by results of tests. Is it not true that American students do less well than their European contemporaries, or than Americans in times past? If so, the case seems made that education is in crisis, and Brimelow can proceed with his diagnosis and cure.

But the issue is not so simple. As Brimelow recognizes, the interpretation of the relevant test scores is a matter of some controversy. Scores on the Scholastic Aptitude Test, the main test that colleges use to evaluate candidates for admission, plunged during the 1960s and '70s, but they have somewhat recovered. American students do less well in science than most Europeans, particularly in the higher grades; but once more there is something to be said on the other side. Test results aggregate groups of very different kinds, and some of the American groups are a match for anyone. One international survey of mathematics and science education found that eighth graders from Naperville School District in Illinois did better than students from the countries with the highest average scores, Taiwan and Singapore.

Brimelow is himself inclined to doubt claims that American students are doing well; does not talking to high-school students reveal them to be massively ignorant? I can confirm the author's skepticism from my own experience. One student, enrolled in a course in recent American history at UCLA, had never heard of President Eisenhower. Another asked me whether Kant was still living.

Any teacher, I suspect, could readily recount similar tales; but this evidence is anecdotal. NEA defenders will be quick to seize on this fact. Besides, they will say, American educators now confront a much more difficult task than their predecessors. A high-school education is no longer a badge of membership in the elite; every teenager now claims entitlement to it. "[Charles] Murray and [Richard] Herrnstein estimated that over 60 percent of white teenagers with IQs below 90 were completing high school. And so were nearly half of those with IQs below 75—despite being at or below what is considered to be the threshold of retardation" (p. 23). Is it not unfair, then, to malign teachers for failure to maintain the highest standards?

A high-school education is no longer a badge of membership in the elite; every teenager now claims entitlement to it.

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In Brimelow's own view, to attempt so far-reaching a goal as universal high school education is foolish: "Where I differ from the educational establishment . . . is that I think the universal high-school ideal may simply be impossible—that it stretches too far the meaning of a common high-school educational experience. And I wonder whether it's worth the effort and the anguish. Let alone the cost" (p. 23).

If it costs more to achieve the same educational results, then education is in decline.

Nevertheless, the fact remains that modern teachers have a different goal from their predecessors; how then, without relying on controversial judgments of his own, can Brimelow show that American education is failing? Our author turns away from results to find a solution. He reasons like an economist and asks, what resources have been spent to achieve a given result? If it costs more to achieve the same educational results, then education is in decline.

Brimelow puts his basic contention in this way: "I think that the government school system's qualitative problem [of educational success] is overshadowed by its quantitative problem—its hoggish consumption of ever-increasing resources to do, at best, the same job. Annual current spending per pupil in the government school system has risen inexorably and relentlessly for more than a hundred years. . . . Annual current spending per pupil was $275 in 1890 and $7,086 in 1999–2000—adjusted for inflation and expressed in year 2000 dollars. That's more than 25-fold, or an average increase of about 3 percent a year. By comparison, the U.S. inflation-adjusted Gross Domestic Product (GDP) has increased only about 8.2 percent, or an average of about 1.9 percent a year" (p. 28).

Brimelow, in accord with his "input-output" analysis, rejects the conventional view that small classes are *per se* desirable. To have small classes requires the use of more teachers; the attendant increase in costs is a drawback, not an advantage. To the objection that the higher costs are justified by better performance, Brimelow offers a surprising response. "It is also true, though guaranteed to annoy teachers . . . that educational researchers have been able to demonstrate little or no consistent relationship between smaller class sizes and student achievement" (p. 28).

Our author finds himself at one with the economist Richard Vedder, whom he rightly terms "irrepressible." Vedder notes that "with the possible

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exception of prostitution, teaching is the only profession that has probably had no increase in labor productivity in the 2,400 years since Socrates was teaching the youth of Athens" (p. 33).[1]

Some might object that Brimelow's input-output analysis is crass and materialistic. Should educators teaching students be judged by the same standards as chickens hatching eggs? Will mediocre education, attained at a small cost, count as "better" on Brimelow's standards than good education that requires more resources?

Brimelow has made his case: American education is in decline. What can be done about it?

Brimelow can readily defend himself against objections of this sort. His analysis asks only about the amount of resources devoted to obtaining a given level of educational achievement. It does not require any "trade-off" between educational success and costs, though the mindset that finds input-output thinking attractive may well be tempted by this next step. And we may confront the objection more directly. The skills taught in elementary and high schools are ones eminently capable of being judged in economic terms. To evoke exalted ideals of the purity of education, free from the test of the market, is here not in place.

Brimelow has made his case: American education is in decline. What can be done about it? He holds that to solve the problem, we must first clear away an obstacle. We cannot proceed, as we normally do, to endeavor to arrive at paths to progress. To try to do so directly will lead nowhere. Entrenched groups of teachers, whom our author calls the Teacher Trust, oppose all changes that may threaten their privileges. Unless the Trust can be cleared away, educational reform is doomed.

In many states, a teachers union, often the NEA, can compel school district officials to deal with it. True enough, a teacher cannot be forced to join a union; but the union contract governs his employment, whether he likes it or not. Further, a feature of the bargaining situation enhances the Teacher Trust's power: "But the Teacher Trust is in an exceptional position: the near-monopoly supplier to a government-enforced monopoly consumer. Parents are legally compelled to send their children to school. Most

[1]A pioneering work in Brimelow's style of cost-benefit analysis applied to education is Roger A. Freeman, *Financing the Public Schools* (Washington, 1958). I owe this reference to George Resch, an outstanding critic of public education.

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parents have no alternative but to send their children to the government school they have been taxed to support—partly because they have been taxed to support it. After paying taxes, they just don't have the money for private school fees" (p. 76).[2]

No doubt these conditions enhance union power; but why are they bad for education? Brimelow contends that the decline in education can be met only by innovative methods. But most promising innovations strike at the power of the Teacher Trust and thus arouse its opposition. As an example, a well-established market principle tells us that wages tied to efficient labor increase productivity. "The Teacher Trust's practical . . . objection to merit pay is that differentiating between teachers, whatever the purpose or the standard used, is contrary to its *raison d'être*. The union requires that all teachers can and must be treated equally—so they can be mobilized equally, under the union's leadership. . . . This is entirely contrary to a market approach" (pp. 86–87).

Before we can have effective reform, then, the monopoly power of the Teacher Trust must be smashed. Our author notes that the right of exclusive bargaining, the source of so much of the problem, rests on legislative grants of privilege. Is not the solution obvious? What laws have created, laws can bring to an end: the statutes allowing these privileges must be repealed. In this connection, Brimelow cites an important argument by the attorney Edwin Vieira. He claims that Congress, under Section Five of the Fourteenth Amendment, "could say exclusive representation violates equal protection, freedom of assembly, freedom of speech . . . [this] would reduce teacher union power dramatically" (p. 212).

Suppose Brimelow's wish is granted: the power of the Teacher Trust is curtailed, or at least drastically reduced. What is then to be done?

Before we can have effective reform, then, the monopoly power of the Teacher Trust must be smashed.

Brimelow commendably makes no claim to a definitive answer: what is all-important, in his view, is to allow market innovation to proceed unhindered.

Brimelow, although a fervent champion of the free market, is not a libertarian of the strictest observance. He is thus willing to countenance vouchers, a form of redistribution of income. But it is a mark of this outstanding author's honesty that he does not suppress the

[2]Homeschools do not invalidate Brimelow's point. Most working parents lack the time to homeschool their children.

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case against this interventionist measure. He notes: "Some principled conservatives and libertarians, articulately represented by the Auburn, Alabama-based von Mises Institute under its president Llewellyn Rockwell, argue that private schools accepting vouchers will be captured by federal regulations" (p. 142).

Given this danger, is it not the better course of action simply to allow parents to deduct from their taxes fees for education? And if it is objected that this still allows the government to designate approved schools, why not an across-the-board tax cut sufficient to cover these expenses?

Our author notes a problem with this suggestion. "Of course, tax deductions and credits would only be helpful to parents who pay taxes, not the poor. But perhaps some sort of aftermarket could be instituted whereby tax credits could be sold to those who could benefit from them" (p. 224).

As it seems to me, Brimelow has here identified a central point in the whole controversy about public education. So long as it is assumed that every child, regardless of the income of his parents, has a "right" to education, the free market can at best operate in a fettered fashion.

Some may reply that to insist on fully private education is to engage in unrealistic doctrinal purism. Is it not unfair to children from poor families to deny them an education? This raises issues I cannot hope to resolve here, but one preliminary point merits attention. Why assume that education is a once-and-for-all event, so that a child who is not in school in the "normal" years is forever debarred from learning? Cannot a poor person acquire education in later life, when he has the money to afford it?

Whether or not one accepts this line of thought, one thing is clear; and Brimelow once again is directly on target. The attempt to compromise between public education and the free market through vouchers faces severe problems. One of these in particular raises an issue of the highest sensitivity.

So long as it is assumed that every child has a "right" to education, the free market can at best operate in a fettered fashion.

"The voucher movement's fundamental and unspoken problem . . . is race. Government schools in wealthy suburbs are . . . *de facto* segregated, by class if not completely by race. Families who cannot afford to live in these neighborhoods cannot send their children to these government schools. To many suburbanites in these areas, vouchers just look like a new word for busing" (pp. 142–43). It is hardly unrealistic purism to wish to avoid these tangled issues. Rather than attempt to imitate the free market, we should insist on the genuine article. ■ MR

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The Case for Dictatorship

The Modern Prince: What Leaders Need to Know Now

CARNES LORD
YALE UNIVERSITY PRESS, 2003
XVII + 275 PGS.

President Bush's invasion of Iraq made many observers gasp with amazement. What could have motivated such hasty and ill-advised action? Surely Iraq, a country of minor importance, posed no threat to the vital interests of the United States. It soon transpired that a deep design lay behind the thrust into alien territories. Neoconservatives such as William Kristol, who enthusiastically supported the invasion, wished to export Western-style democracy to the countries of the Middle East so benighted as to wish to govern themselves. And these writers were rumored to have the ear of key policymakers, most notably, Paul Wolfowitz, in the Bush administration. There was method in Bush's madness.[1]

Some went on to discover a further dimension in the neoconservative scheme. Kristol and his fellow propagandists did not devise their plans for worldwide democracy out of nothing. They looked for political wisdom to the writings of Leo Strauss, a historian of political thought who taught for many years at the University of Chicago. Kristol, some alleged, was a Straussian; so was Wolfowitz.

Defenders of Strauss at once ran to their battle stations. Wolfowitz had only a passing acquaintance with Strauss; and, besides, Strauss never supported the universal imposition of democracy. Those in search of the intellectual antecedents of neoconservative foreign policy should look elsewhere.

The defenders have a point. Strauss devoted the bulk of his work to detailed textual studies of Plato, Hobbes, Spinoza, and Rousseau, among many others. He rarely intervened in contemporary political issues. In his youth, he strongly supported the Zionist movement; and his only

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[1]See my review of Lawrence Kaplan and William Kristol, *The War Over Iraq*, in the *Mises Review*, Spring 2003, pp. 1–6.

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appearance in *National Review* was a letter to the editor criticizing the magazine for its advocacy of an anti-Israel foreign policy. He also signed a letter supporting President Nixon in the Watergate affair. I can recall nothing else.

Further, it is quite possible to be a Straussian, in the sense that one thinks Strauss had important things to say about philosophy, and at the same time oppose an interventionist American foreign policy. Straussianism in the sense just distinguished seems compatible with disparate philosophical and religious doctrines. There are, for example, Roman Catholic Straussians, such as the late Father Ernest Fortin, Peter Augustine Lawler, and Robert Kraynak.

Lord wastes no time in letting us know where he stands. Machiavelli must be our guide.

But the defenders of Strauss protest too much. Throughout his studies of the classics, he emphasized the role of a philosophical elite as advisors to those in power; and if we consult the works of those who declare themselves Straussians, we find precisely the same stress on leadership.[2] Carnes Lord, a distinguished translator of Aristotle who occupied high positions in the administrations of Ronald Reagan and the elder George Bush, is universally acknowledged as a leading Straussian. Even Myles Burnyeat, the leading critic of Strauss's views on Greek philosophy, has good things to say about Lord. His *Modern Prince* gives us an excellent picture of Straussian elite politics in action.

Lord wastes no time in letting us know where he stands. Machiavelli must be our guide. In particular, we must learn from him that the supreme form of political leadership consists of founding "new orders." The founding prince molds his society according to his ideas: "Listen to Machiavelli: 'It should be considered that nothing is more difficult to handle, more doubtful of success, nor more dangerous to manage, than to put oneself at the head of introducing new orders. For the

[2]For a valuable discussion of Strauss, see the recently translated *magnum opus* of the Heideggerian philosopher Reiner Schürmann, *Broken Hegemonies* (Indiana University Press, 2003). Schürmann asks: "And what is the crucial truth that Leo Strauss himself presents exclusively between the lines? This 'truth' is that the historic division between the classical and modern epochs, and thus that the 'teleological vision' of which the division marks a loss and a mourning, are but tools of political intervention to constitute the new aristocracy and to confer on it full powers" (*Broken Hegemonies*, p. 667).

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introducer has all those who benefit from the old order as enemies, and he has lukewarm defenders in all who might benefit from the new orders'" (p. 8, quoting Machiavelli).

The leader must innovate; but what sort of innovation earns Lord's praise in the American context? It transpires that Lord's Machiavellian new orders do not amount to very much: he has merely dressed up in fancy language Alexander Hamilton's familiar program of a strong executive who follows a mercantilist economic policy.

Here Lord stands on familiar Straussian ground. Straussians revere the *Federalist*; and whenever you find someone yammering about the wisdom of "Publius," it is a good bet that you have found one of Strauss's acolytes.

Lord is a case in point. He tells us, "Hamilton's case for a strong executive does not rest primarily on the argument from administrative competence. Rather, the key requirement in the design of the presidency, and indeed in the design of the nation as a whole, is what Publius calls 'energy'" (p. 77).

Hamilton, or Publius, if you prefer the affectation, wishes to use presidential "energy" both in foreign affairs and domestically. For a reason that I hope will become obvious later, I shall save foreign affairs for last. Domestically, interference with the free market is on occasion required, a position with which his later-day admirer enthusiastically agrees. "While they were by no means enemies of free trade, Hamilton and [Friedrich] List argued on behalf of the importance of limited protectionist measures designed to support domestic industries at an early stage of their development" (p. 144).

Did it ever occur to Lord that economists have heard of the infant industries argument and have had something to say about it? (Mises offers a characteristically insightful discussion in *Human Action*. Mises sums up his discussion in this way: "The infant industries argument is no less spurious than all the other arguments advanced in favor of protection" [*Human Action*, Scholar's Edition, p. 507].) What concerns me is not so much that Lord arrives at the wrong conclusion as that he fails even to grasp the relevance of economic analysis to the question he is addressing.

Instead, he serves up a few clichés about the importance of national defense. "Hamilton supported a diversified national economy with a strong manufacturing center that would provide at least a measure of self-sufficiency in military production. . . . 'Rich country, strong army'—this maxim of the Meiji reformers is not as alien to our own traditions as it might sound"

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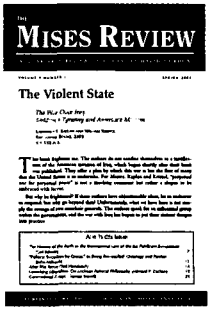

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(p. 143). Lord does not tell us why impoverishing American consumers by interfering with the international division of labor will promote national defense.

In domestic politics, then, a leader who follows Lord will subordinate economic well-being to "higher" politics. Given this requirement, it is not surprising that our author is on the whole an ardent partisan of Franklin Roosevelt. (Supreme honors do not go to Roosevelt, though. Lord thinks that Ronald Reagan surpassed him as an excellent leader.) As with tariffs, there is no pretense of economic argument. Instead, all we are told is that, given the dire circumstances of the Depression, Roosevelt had to act: "In 1932, almost everyone agreed that the nation faced a dire economic crisis, that strong measures were needed to deal with it, and that such measures had to involve a greater degree of government intervention in the economy than seen before in the United States" (p. 8).

So what? Are not Hamiltonians and New Dealers all-too-common phenomena? Why make such a big fuss about Lord and his Straussian views if these involve no more than normal economic illiteracy? What Lord adds is the ruthless pursuit of power that he apparently derives from his account of Machiavelli.

For our author, Roosevelt's attempt in 1937 to pack the Supreme Court was not an assault on constitutional government. It was a justified attempt to repel a challenge to the Supreme Leader. If the constitution, as interpreted by the "nine old men," blocks the way of the New Deal, must not something be done? "It is customary to decry FDR's move against the Court as a prime example of the abuse of executive power by an American president. . . . Politically, though questions can be raised about the way it was handled, it can certainly be defended as an extraordinary act of statecraft in circumstances of national crisis" (p. 128).[3]

Why make such a big fuss about Lord and his Straussian views if these involve no more than normal economic illiteracy?

The Supreme Court is not the only possible danger to the leader's program. What if the press criticizes the president? Might this not impede the leader's program of needed action? Of course, there is the little matter of the First Amendment and its guarantee of

[3]F.A. Hayek, surprisingly, also criticizes the Supreme Court for overturning too many New Deal measures (*The Constitution of Liberty* [University of Chicago, 1960], p. 190).

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free speech; but this is readily swept aside. "The model of 'objective control' in civil-military relations may be said to have its counterpart in a bargain whereby government respects media autonomy and facilitates its coverage of national issues in return for the media observing certain fundamental norms of behavior and respecting certain government requirements. The fundamental norms are political and ideological neutrality [!] and a reasonable respect for the symbols and traditions of the nation. The government requirements are protection of sensitive information and the integrity of government operations" (pp. 188–89). If the media do not agree to the bargain, the government will take them over.

Only when a great leader like Lincoln or Roosevelt is faced with an emergency will Lord favor tossing the Constitution into the garbage pail.

But am I not here treating Lord unfairly? Elsewhere in the book, he shows himself alert to the danger of executive abuse of power, and he sometimes speaks of the need to preserve the independence of the three branches of government. Perhaps he is not so extreme as I have pictured him. Only when a great leader like Lincoln or Roosevelt is faced with an emergency will Lord favor tossing the Constitution into the garbage pail.

I would like to be generous, but unfortunately Lord gives away the game. When he speaks of the executive's having too much power, what concerns him is only a situation when the president is officially assigned too many tasks. In doing so, he weakens his real power; Lord thinks that French president François Mitterand was for this reason ineffectual.

But where what is in question is power to achieve great Machiavellian enterprises, matters are entirely different. If we have a genuine leader, limits and checks and balances are mere devices to deceive the masses: "Paradoxically, the presidency can be strong precisely because it is weak. Because of its formal subordination to the people and the legislative power, it is seen fundamentally as an instrument of others or as not fully responsible for its actions and therefore can disarm to a degree the resentments of those adversely affected by them" (p. 83). A leader of true Machiavellian excellence must not openly assert his full power: he should operate behind the scenes to disarm opposition.

But are we not so far missing something important? Leo Strauss, whatever criticisms one may advance against him, was undoubtedly a philosopher.

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But in Lord's Straussian politics, as I have so far presented it, there is nothing of philosophical interest. Is there anything to Lord's position beyond blind power worship?

At one place, Lord endeavors to engage with the thought of a genuine philosopher, but the results are hardly compelling. The leader, Lord informs us, illustrates in his conduct Aristotle's virtue of prudence. "The mode of knowledge that is at the core of statecraft in its traditional sense is political judgment, or to use another old fashioned term, prudence. . . . It implies that politicians, because of their greater experience of political matters, develop an intellectual ability that enables them to make sound political decisions. . . . The classic articulation of the notion of prudence appears in the thought of Aristotle" (p. 27).

The author's view is that leaders are free from the restraints of principle.

Lord's strategy here is to my mind deceptive. His view, as will become apparent in the discussion of foreign affairs below, is that leaders are free from the restraints of principle. They are superior beings whose judgments are not to be questioned by the inexperienced. He disguises this position as Aristotle's view that one needs judgment to apply general principles to concrete situations. Aristotle's prudence is not an amoral doctrine of reliance on the superior statesman, Lord to the contrary notwithstanding.[4]

When Lord discusses how the leader is to use force in foreign affairs, the restraints of justice never cross his mind. Instead, the leader, in correct Machiavellian fashion, must follow an energetic, impetuous course of conduct. He must avoid a danger: he must not pay too much attention to advice from the military. Not, of course, because the generals are apt too readily to counsel military intervention; quite the contrary, they tend to be altogether too cautious.

I have promised to save the best for last; and, with Lord's help, the promise is easily fulfilled. Many people, according to our cheerleader for "energy," entertain an erroneous assumption. They have the strange idea that, faced with a crisis, one should endeavor to reduce tensions and settle the issues in dispute peacefully. What nonsense! "Particularly troublesome is the idea that visible preparations for war should be avoided in a crisis for fear such actions will lead to unwanted escalation. . . . There is a tendency today in some quarters to understand crisis

[4]Harry Jaffa uses the same false appeal to Aristotelian prudence to justify Lincoln's lawless conduct. See my review of his *A New Birth of Freedom* in the *Mises Review*, Summer 2001.

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management as a form of 'conflict resolution' in which third parties set out to prevent or end violent conflict between other states. . . . Some conflicts are stubbornly resistant to mediation by outsiders, and there may well be cases . . . where military action is the only realistic option for advancing the prospects for a political settlement and eventual lasting peace" (p. 204).

We must not let the nasty mediators get in the way of Impetuous Leader, as he blasts and bombs to insure eventual peace.

We must not let the nasty mediators get in the way of Impetuous Leader, as he blasts and bombs to insure eventual peace. And it gets even better. A crisis atmosphere is in many cases desirable. Otherwise, the leader cannot get what he wants: "In a larger perspective, one should bear in mind that crises can have their positive side. They present opportunities not always available to policy makers to mobilize the country behind certain policies and to overcome bureaucratic obstacles to firm action. . . . [Crises] may also open avenues for skilled leaders to strengthen alliances, bolster the legitimacy of their regimes, and enhance their international prestige" (pp. 204–05). Carnes Lord, whatever his virtues, has not given much help to those who endeavor to acquit Straussians of bellicose tendencies. ■ MR

Krugman Is Not Always Wrong

The Great Unraveling: Losing Our Way in the New Century

PAUL KRUGMAN
NORTON, 2003
XXIX + 426 PGS.

Keynesian economics has few virtues, but Paul Krugman's book, the bulk of which collects many of his controversial columns for the *New York Times*, shows that even a Keynesian can on occasion have valuable things to say. Most people equate Keynesianism with deficit spending, but this is not in all circumstances correct. Keynes recommended deficit spending only in depressions. In times of prosperity, Keynes wanted balanced budgets, or even budget surpluses.

Paul Krugman, a devout Keynesian, fully embraces the latter view. He accordingly mounts a strong, and in my view very effective, criticism of the Bush administration for its massive deficits. Since we are not now in a

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depression, deficits result in grave harm to the economy. In his criticism of Bush, Krugman draws much needed attention to a principal source of the deficit, excessive spending on defense. He warns of the malign consequences of Bush's misguided Iraq venture.

Unfortunately, Krugman's wisdom has severe limits. His response to deficits is to demand that taxes be raised. The thought that somewhere, somehow, a rich person is escaping heavy taxes chokes him with rage. He never addresses the stifling effects on investment to which his policy would lead. Except for spending on defense, he seems averse to the true remedy for deficits, i.e., massive reductions in government spending. But with a Keynesian, we cannot ask for everything. We should be thankful for what he has given us.

Krugman's key insight is that large deficits impede investment, and thus economic growth, by their effect on the monetary rate of interest: "Has the sudden return of federal deficits [in late 2001] had an impact on long-term interest rates? Of course it has. Just a few months ago everyone expected the federal government to pay off its debt, drastically reducing the supply of bonds; now it turns out that it will be borrowing money. Inevitably this depresses bond prices, which is the same as raising long-term interest rates" (p. 71).

Given this effect, our economy confronts a grave problem. Social Security and Medicare payments will make increasing demands on the economy. The prospect of constantly increasing deficits to pay the expenses of these programs threatens disaster. (Sometimes Krugman sounds like John Attarian, whose book on Social Security is reviewed elsewhere in this issue.)

Our author presents the problem in his customary hard-hitting style: "The U.S. government is best viewed as a big insurance company that also happens to have an army. The giant retirement programs—Social Security and Medicare—already dominate the federal budget; they'll become much more expensive a decade from now [2000]. If we have to pay those bills, and also pay interest on a big national debt, something will have to give" (p. 135). The difficulties that will confront the retirement programs of course stem from the large number of "baby boomers" who will have to be supported.

The thought that somewhere, somehow, a rich person is escaping heavy taxes chokes Krugman with rage.

In a few places, though, Krugman retreats from his own best thoughts about the crisis. He tells us at one point that solving the Social Security problem "isn't all that difficult;" all we

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need are some "affordable injections of money" (p. 189). Even if benefit payments in the future exceed tax revenues, the Social Security system will take care of things through a "multitrillion-dollar 'trust fund' held in government bonds" (p. 201). What is wrong with government bonds? Are they not genuine assets? I find it difficult to reconcile Krugman's comments here with his analysis elsewhere of the crisis that threatens Social Security. With my customary generosity, I propose that we simply ignore these lapses.

Krugman is after all a Keynesian and cannot be expected to get everything right.

Krugman's analysis has so far been completely on target (aside from the passages we have agreed to ignore); but he is after all a Keynesian and cannot be expected to get everything right. He proceeds to a blatant leap in logic. Faced with heavy deficits, he rightly says, we cannot have both high government spending and tax cuts. From this, he wrongly concludes that we cannot have tax cuts.

How can we cut taxes, he asks, if we want to reduce the deficit? He fails to give adequate weight to the elementary point that if government expenses are cut sufficiently, lower taxes and less debt are entirely compatible.

But why cut taxes? From an economic point of view is not the answer obvious? Lower taxes encourage investment. Krugman sees that deficits stifle investment, through their effect on the interest rate: How can he fail to grasp the more direct negative effect high taxes have on investment? Perhaps he thinks that the rich save but do not invest. Is this not Keynesian dogmatism at its worst?[1]

He does address the issue briefly at one point. He says, "Now you could try to justify tax cuts tilted toward the top by claiming that a rising tide lifts all boats, and that cutting taxes for the rich will make the economy grow faster. . . . Given the extraordinary boom of the Clinton years, it's hard to claim that excessive taxes have been a drag on economic growth" (p. 150).

Krugman has here fallen into a gross fallacy. He reasons that if the economy was prosperous when taxes were relatively high for the rich, it cannot be the case that reducing taxes will promote prosperity. Of course this does not follow. Perhaps the economy under Clinton would have done even better had tax rates been cut. Sound reasons of theory lead us to expect beneficial results from tax cuts; and pending a refutation of these arguments, we should not abandon them.

Further, Krugman conflates two different issues. On the one hand, he

[1]I owe this point to Joseph Salerno.

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asks a good question: why should tax cuts benefit only the rich? Why not institute cuts that are of greater benefit to those in less fortunate circumstances? He conflates this question, on the other hand, with another: why cut taxes for the rich at all? Krugman again and again denounces tax cuts for the wealthy, viewing them as part of a revolutionary rightist plot to overthrow the modern welfare state. He wants to "soak the rich," but he never tells us why such taxation is desirable.

If Krugman learns of the Mises Institute, I fear for his health.

To his credit, Krugman does not ignore entirely the most economically beneficial way to lessen the deficit. In particular, he calls attention to vast and unnecessary spending on defense. "And while there is much talk of hard choices, the administration seems loath to make any choices at all when it comes to defense spending. Does a subsidiary of the Carlyle Group have a 70-ton artillery piece . . . ? We'll buy it. Do two competing contractors offer advanced fighters designed to fight a nonexistent next generation of MiGs? We'll take both" (p. 239).

One part of the defense budget, in particular, threatens us with economic ruin; and Krugman is well aware of it. The Iraq War has already cost billions of dollars and will continue to drain our resources indefinitely: "the heavy costs of war, occupation, and rebuilding—for we won't bomb Iraq, then wash our hands of responsibility, will we?—are not in doubt" (p. 389).

Unfortunately, Krugman's skepticism about government spending has its limits. Any fundamental challenge to the welfare state he sees as part of a right-wing conspiracy; and, once he makes this claim, he sees no need for further analysis. He points out in shocked tones that if "you read the literature emanating from the Heritage Foundation, which drives the Bush administration's economic ideology, you discover a very radical agenda: Heritage doesn't just want to scale back New Deal and Great Society programs, it regards the very existence of these programs as a violation of basic principles" (p. 6). If Krugman learns of the Mises Institute, I fear for his health.

For Krugman, the welfare state is simply a given: to question its justification is heresy. He asks: "Why don't we just leave medical care up to individuals? Basically, even in the United States there are limits to how much inequality the public is prepared to tolerate. It's one thing if the rich can afford bigger houses or fancier vacations than ordinary families; Americans accept such differences cheerfully. But a society in which rich people get their medical problems solved, while ordinary people

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die from them, is too harsh even for us" (p. 208).

Here Krugman's obvious resentment against the rich makes him miss a basic distinction. If, in a free market, the rich have access to better medical care than the poor, it hardly follows that the poor get no medical attention. Of equal value as an argument would be the claim that since the rich can better afford than the poor caviar and champagne, the poor will starve or receive bad food.

Because of his refusal to address questions of basic principle, Krugman cannot solve the problem he has posed so well. To deal with extremely high deficits requires drastic cuts in government programs. To declare welfare immune from fundamental revision is to destroy all chance for a resolution of the problem. And Krugman makes matters even worse. He is not slow to propose his own plans for increases in spending.

Is not foreign aid a very good thing? We have so little of it now: a substantial increase, our author suggests, is in order. "Right now, the U.S. is the Scrooge of the western world—the least generous rich nation on the planet" (p. 380). Why not double our foreign aid budget? Doing so involves such a small amount—only "a dime a day for the average citizen" (p. 381). I shall leave it to those more mathematically gifted than I to do the arithmetic, but the annual figure for the U.S. population will be a not insignificant amount. Somehow the deficit is no longer a consideration; or, more likely, Krugman thinks a tax increase on the rich will take care of things.

There is yet another area in which Krugman's crusade against deficits falls flat. As a Keynesian of the highest standing, he knows what to do as soon as the economy experiences the slightest downturn. The government must increase its spending, and deficits are the order of the day. Although, as Krugman hastens to assure us, these are short-term deficits designed to cope with a crisis, do they not make much more difficult the aim of avoiding substantial and long-lasting government debt?

Here the author's obvious resentment against the rich makes him miss a basic distinction.

Krugman will of course answer that the dictates of sound economics require that we deal with recession through increases in spending. But has he ever seriously considered the Austrian alternative to Keynes? In a column written in October 2002, he says that we are in "a classic overinvestment slump, of a kind that was normal before World War II" (p. 97). Do not Austrians have something to say about overinvestment? ■ MR

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